

Place on hospital letterhead and email a copy of your letter to Dawn Vicari, CHA legislative assistant, at [dvicari@calhospital.org](mailto:dvicari@calhospital.org).

<Month, Day> 2020

The Honorable <Full name of the assesblymember who represents your facility>  
State Capitol  
Sacramento, CA 95814

**SUBJECT: SB 977 (Monning) – OPPOSE**

Dear Assemblymember <Last Name>:

California’s hospitals are dedicated to providing care to their communities 24/7 and to building a health care system that prioritizes the access to care on which patients and communities rely. Sometimes, ensuring that access requires hospitals to affiliate with another hospital to create efficiencies or transfer hospital assets to another organization. These approaches prioritize what’s best for patients — and that flexibility has never been more important than now, as hospitals like ours react to the enormous financial strain imposed by the unprecedented COVID-19 pandemic.

Senate Bill (SB) 977 (Monning) would strain access to the health care system by creating an extreme and burdensome process for transactions like mergers and affiliations. **This comes at a time when hospitals are already fighting to be there for their communities and it would result in hospital closures and the loss of health care services throughout California.**

Although financial distress is a common reason for hospitals to merge or affiliate, these arrangements also occur for myriad other reasons — financial efficiency, expanded access to services, clinical integration, better-coordinated patient care, and bolstered support for nurses and physicians. **Please provide an example here of an existing arrangement(s) your system has, the benefit it provides to patients and your community, and how this process will disrupt it.**

SB 977 would create a presumption that these transactions are anticompetitive, placing the burden of proof on the purchaser without due process, and effectively establishing a “guilty until proven innocent” system. Sales, affiliations, and mergers are complex and expensive investments that require thousands of hours of work from legal, financial, operational, and clinical experts. Because of this substantive investment of time and resources, purchasers need some degree of certainty surrounding the process before undertaking such a risk. The bill gives arbitrary and absolute discretion to the attorney general to determine whether criteria are met, without clear definitions or parameters.

Such an uncertain and highly political process is certain to deter and halt these important transactions.

For these reasons, we urge you to vote “NO” on SB 977.

Sincerely,

**Your Name, Title, and Organization**

cc: The Honorable Bill Monning